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funds to qualified subgrantees as specified in §440.18(d);

- (xi) Procedures for determining the most cost-effective measures in a dwelling unit;
- (xii) The definition of "low-income" which the State has chosen for determining eligibility for use statewide in accordance with § 440.22(a);
- (xiii) The definition of "children" which the State has chosen consistent with § 440.3; and
- (xiv) The amount of Federal funds and how they will be used to increase the amount of weatherization assistance that the State obtains from non-Federal sources, including private sources, and the expected leveraging effect to be accomplished.

[65 FR 77217, Dec. 8, 2000, as amended at 66 FR 58366, Nov. 21, 2001]

§440.15 Subgrantees.

- (a) The grantee shall ensure that:
- (1) Each subgrantee is a CAA or other public or nonprofit entity;
- (2) Each subgrantee is selected on the basis of public comment received during a public hearing conducted pursuant to §440.14(a) and other appropriate findings regarding:
- (i) The subgrantee's experience and performance in weatherization or housing renovation activities;
- (ii) The subgrantee's experience in assisting low-income persons in the area to be served; and
- (iii) The subgrantee's capacity to undertake a timely and effective weatherization program.
- (3) In selecting a subgrantee, preference is given to any CAA or other public or nonprofit entity which has, or is currently administering, an effective program under this part or under title II of the Economic Opportunity Act of 1964, with program effectiveness evaluated by consideration of factors including, but not necessarily limited to, the following:
- (i) The extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion:
- (ii) The quality of work performed by the subgrantee:
- (iii) The number, qualifications, and experience of the staff members of the subgrantee; and

- (iv) The ability of the subgrantee to secure volunteers, training participants, public service employment workers, and other Federal or State training programs.
- (b) The grantee shall ensure that the funds received under this part will be allocated to the entities selected in accordance with paragraph (a) of this section, such that funds will be allocated to areas on the basis of the relative need for a weatherization project by low-income persons.
- (c) If DOE finds that a subgrantee selected to undertake weatherization activities under this part has failed to comply substantially with the provisions of the Act or this part and should be replaced, such finding shall be treated as a finding under §440.30(i) for purposes of §440.30.
- (d) Any new or additional subgrantee shall be selected at a hearing in accordance with §440.14(a) and upon the basis of the criteria in paragraph (a) of this section.
- (e) A State may terminate financial assistance under a subgrant agreement for a grant period only in accordance with established State procedures that provide to the subgrantee appropriate notice of the State's reasons for termination and afford the subgrantee an adequate opportunity to be heard.

[49 FR 3629, Jan. 27, 1984, as amended at 55 FR 41326, Oct. 10, 1990; 58 FR 12526, Mar. 4, 1993; 65 FR 77218, Dec. 8, 2000]

§ 440.16 Minimum program requirements.

Prior to the expenditure of any grant funds each grantee shall develop, publish, and implement procedures to ensure that:

- (a) No dwelling unit may be weatherized without documentation that the dwelling unit is an eligible dwelling unit as provided in § 440.22;
- (b) Priority is given to identifying and providing weatherization assistance to:
 - (1) Elderly persons;
 - (2) Persons with disabilities;
 - (3) Families with children;
 - (4) High residential energy users; and
- (5) Households with a high energy burden.